

Purchase or Refinance

Section 223(f)

U.S. Department of Housing and Urban Development
Northwest/Alaska Multifamily Hub



Have you thought about refinancing your apartment property, lately? Or, perhaps you are looking to buy. If so, FHA's Section 223(f) mortgage insurance program was designed with you in mind. Section 223(f) is our *bread and butter* program for purchasing or refinancing multifamily rental properties, and one of our most popular.

Using FHA 223(f) financing, you can quickly reposition your apartment project in the market by financing needed project repairs, leveraging your equity, and obtaining more favorable financing terms.

Program Features

- Higher Loan to Value Ratios
 - Maximum loan size is the lesser of the following criteria:
 1. 85% of Lender's estimate of value as repaired
 2. 1.18% debt service coverage
 3. Statutory mortgage limits

Purchases:

4. 85% of the property's acquisition cost

Refinances:

5. The greater of (a) the cost to refinance; or (b) 80% of value

- Longer Amortization

FHA insured loans may be amortized up to 35 years with no balloon payment

- Fixed Rates
- "AAA" Bond Rating

FHA-insured loans may be sold to Ginnie Mae, which secures a "AAA" rating for bond financing and correspondingly low interest rates.

- Accelerated loan processing option
- Reasonable Annual Cost: Mortgage Insurance Premium of 0.5% of the loan balance.
- Non-Recourse Loans — No risk to personal assets of borrowers.
- Fully Assumable Loans

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For More Information:
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